N.W.T. Advisory Council
on the
Status of Women

POSITION PAPER ON CHILD CARE IN THE N.W.T.

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INTRODUCTION

The NWT Advisory Council on the Status of Women is an advisory body to the Minister Responsible for the Status of Women which offers advice on matters, relating to the status of women, referred to them as well as on issues they deem appropriate. The Advisory Council's members are appointed by the Minister and represent the women of the Territories and their interests.

When the October 1988 sitting of the Legislative Assembly came to a close without a detailed announcement concerning the Government's anticipated Child Care Program, the Advisory Council members felt compelled to offer their advice on the crucial elements of a comprehensive, accessible, quality child care program.

We invite all the members of the Executive Council, the members of the Legislative Assembly, women's and child care organizations and all parents to read and consider this Position Paper and to enter into a full public discussion on the kind of government program needed to respond to the child care crisis that exists in every community, small and large, throughout the NWT.

A NOTE ON THE CHILD CARE CRISIS

The Advisory Council assumes that the reality of the child care crisis has been brought home to politicians and bureaucrats in recent months. What must be made clear is that there are two aspects to the crisis.

First, there is a terrible lack of supply in the Territories. Communities, large and small, have identified a real need for child care facilities as the traditional reliance on the extended family has begun to fail as an adequate means of child care. There is a desparate need for more child care spaces, either in day care centres or in licensed family day homes.

Second, the system of existing child care centres has reached the upper limit of what middle-icome parents can afford. Parents are simply unable to pay any more than the $400 - $450 currently charged for one child in full-time care. Parents fees cover at most 80% of the real costs of child care and even then programming, staff salaries and operational costs are cut to the bone. Staff in child care centres are primarily women and they are, in essence, subsidizing the child care system through their low

wages. Direct support for the existing child care system is required.

1. THE ROLE OF THE GNWT

The Northwest Territories is the only jurisdiction which does not have a child care program. Every other jurisdiction in Canada has a program of support for parents and child care givers.

1.1 The GNWT has a program and a funding responsibility.

The Government of the N.W.T. has a responsibility to its citizens to develop and implement a funded child care program that responds to the varied needs of parents in the large and small communities across the North. It must design a program that meets our unique needs and reflects the cultural diversity of our communities.

1.2 The GNWT has a responsibility independent of the federal jurisdiction.

Child care is a provincial/territorial responsibility and the Government should implement a child care program independent of any federal government initiative, as have the ten provinces and the Yukon. The Government must commit ongoing funding support to child care independent of any future federal funding.

When and if there is a national child care program which introduces new cost-shared funding, then the GNWT can adapt its existing program in order to maximize its ability to access federal funding programs, just as the other jurisdictions will.

1.3 The GNWT should seek a cost-sharing arrangement with the federal government that addresses the NWT's small revenue base.

The Advisory Council supports the efforts of the Government to negotiate a flexible cost-sharing arrangement in a national child care program.

The GNWT generates less than 20% of its operating revenues from its own tax base. However the high costs of northern and isolated living and a very young population, nearly half of whom is under 19 years of age, combined with rapid change in traditional community life and structure, have contributed to the current child care crisis in Northern communities.

The recent proposed national child care strategy would have required a 50% contribution on cost-shared operating expenditures and a 25% contribution on cost-shared capital expenditures. Clearly this would not

have been possible with the current NWT revenue base.

The GNWT should continue to negotiate with the federal government in order that any future proposed child care program build in a flexible approach to the cost-sharing formulas that allows for appropriate contributions from those jurisdictions which have a very small revenue base. However, the Advisory Council thinks it is highly unrealistic to expect that the federal government will contribute 100% funding to child care programs in the NWT. Furthermore, seeking 100% funding abandons the GNWT's responsibility to provide leadership and support in child care programs specifically for the North.

2. POLICY ISSUES

Before developing a deatiled child care program for the Northwest Territories there must be broad public discussion on some of the complicated policy issues that affect child care in Northern society. Once there is consensus on what role child care plays in the North and why it should be supported, then there can be clear principles that guide the Government in deciding what kind of child care it will support and how it will deliver that support.

2.1 Child Care is a Human Resource Development Issue.

The Report of the National Task Force on Child Care (the Cooke Report) concluded in 1986 "that child care is the the social policy issue of the decade".

The Government of the Northwest Territories must recognize that child care is a matter of public policy like education and health care; it is not a market service nor is it restricted solely to the family. Child care, like education, is the legitimate concern of the state and as the 1984 Royal Commission on Equality in Employment notes, " the partnership of parent and state should start when a child is born and continue as long as the dependent child, as beneficiary, needs it, regardless of age or whether he or she goes to school, or if there is a parent at home full-time."

The lack of reliable child care in Northern communities, especially communities caught in crisis between a traditional lifestyle and the impinging modern world, will have terrible implications for the social fabric of the North. Again quoting from the Cooke Report;

"The effects of poor-quality child care are, for the most part, experienced

'down the road' as children grow and develop into adults. When children receive poor care - merely custodial care, providing inadequate nurturing and developmental stimulation during the pre-school years - they arrive at school unprepared for the learning process, eventually requiring costly remedial programs. Children who are inadequately cared for grow up to be unfeeling adults, and lack characteristics of concentration and persistence so essential to their ability to function in society, succeed at school, hold a job, and rear families of their own. These results have serious implications for the public purse, in terms of expenditures on health care, education, and criminal justice, as well as for future employers of these children. For the children themselves, whose horizons are limited by poor care, the cost is more directly wasted potential."

Translate this scenario to our contemporary Northern reality and we can add the problems of alcohol and drug abuse, family violence, teenage suicide and high rates of school drop-out.

In the Commissioner's Opening Address to the Third Session of the Eleventh ASsembly (October 1988) the Government pledged its energy to strengthening the social fabric in the North and to initiatives "aimed at solving immediate problems, while not forgetting the longer-range goal of a self-reliant, productive society".

A Northern child-care program will be an important corner-stone of an effective social policy whose aim is the utmost development of the North's human resources.

2.2 Child Care is an Economic Development Issue.

Child care centres and family day homes contribute to the economic development of the North with the greatest impact felt in the smallest communities. Business development, large or small, is not the only means to stimulate economic health.

Not-for-profit child care centres create jobs for child care workers, cooks and janitorial staff. They create demands for goods and services from local suppliers.

Reliable child care permits men and women to take and hold down available jobs and to begin and complete upgrading and training programs. A woman in Fort Rae spent most of last year in an upgrading program in order to complete her grade ten because she recognized that it was necessary for her to get a good job. She had to drop out before she

completed the program because she has six children and suddenly was without child care. This year she is trying again but child care is still a probelm for her.

Available, reliable child care is a key to the success of government-planned and implemented economic development programs and to the training programs that are essential to job development. Lack of reliable child care is a major factor in their failure.

Child care must become one of the "givens", similar to the affirmative action program, in developing any new economic development initiatives.

2.3 What kinds of child care should a policy include?

The Government has to be clear on what is meant by child care and has to be specific on what will be included, supported and funded in a child care program.

"Comprehensive" child care means that there is a broad range of care available that includes infants, pre-schoolers, school-aged children and special needs children.

"Accessible" means that child care services are available to all families who need care for their children no matter where they live and regardless of the work or training schedules of the parents (eg; part-time, seasonal, or shift-work).

"Affordable" means that the cost of quality child care should not prohibit parents from accessing it. Quality child care cannot be operated on the basis of user fees alone.

"Quality" child care means that services are licensed and regulated and the program of care should include the basic tenets of early childhood development goals.

The terms "formal and informal child care" have been used to mean large day care centres as opposed to children in the care of the extended family or neighbourhood babysitters. A more useful distinction is "licensed" as opposed to "unlicensed" in identifying the kind of child care that the Government should support with public funds.

Licensed child care includes family day homes where an adult is licensed to care for a specific number of children in the home. The licensing

permits the public regulation of basic factors of health, safety, number of children, space and nutrition. Licensing should enhance the care provided children by supporting the care-giver with regular supervision, advice and assistance, access to resources, information and training workshops. Licensing should also enhance the work of the caregiver by providing support in setting a fair fee for services and assistance with bookkeeping and filing tax returns.

Licensed day care centres are not necessarily large. They are designed to meet the needs of the community - whether that be a centre that cares for 10, 15 or 30 children. Community day care programs can ensure that the cultural values and traditions of a community are included and reinforced in the program of care offered. Like the schools, day care centres can invite elders in to share the old ways with the children.

The Advisory Council has received input on the informal system from parents across the NWT and they have identified major problems with the system. The elders say they are tired and find it a heavy burden to care for their many grandchildren. Often, children are cared for by young girls who should still be in school themselves. Informal childcare arrangements are not reliable, since the caregivers can become ill or decide to go to the bush or be unavailable at various times. Children can be in care situations where there is regular alcohol abuse and child abuse.

Licensing day homes and supporting day care centres will not take away from parents the choice of placing their children in the care of relatives or friends. However, the current situation means that parents in most communities have no choice other than the "informal" system.

The Advisory Council recommends that public funds under a child care program be designated for government licensed child care services only. This is the only means to ensure that children are in safe, healthy, quality child care settings and that government funds are directed towards the development of a high quality child care system in the North.

2.4 Non-profit or For-profit child care.

Non-profit child care includes family day homes and day care centres operated by parent cooperatives or non-profit organizations such as Friendship Centres or the YWCA. For-profit child care means centres operated by a business.

Businesses have access to a wide variety of public programs including tax incentives and grant programs such as the EDA to name one. Non-profit child care services cannot access these programs.

The Canadian Day Care Advocacy Association, amongst many organizations, argues that there is clear evidence that the quality of commercial child care is lower based upon the critical criteria of staff/child ratios, staff training, staff turnover, wages and working conditions, health and safety and significant parental involvement. The non-profit sector delivers better quality child care. In a commercial operation the bottom line is the profit margin and staff, toys, supplies and wages will be trimmed to keep the operation profitable. That thinking makes sense for a business but child care should not be a commercial enterprise.

The Advisory Council recommends that public funds in a child care program be directed only to non-profit day care centres and family day homes.

<u>The policy underpinnings for a child care program should include:</u>

Child care is a social policy issue and is a cornerstone of good human resource development for the North. It is preventive social medicine.

Child care has economic development implications including direct economic impact through job-creation as well as indirect spinoffs in the community economy.

A GNWT program should support and fund child care programs that are comprehensive, accessible, affordable, high quality, licensed and non-profit.

3. TIME-FRAME FOR IMPLEMENTING AN NWT CHILD CARE PROGRAM

Because the Government is faced with addressing a crisis in child care and the demands and needs are so great, there must be a methodical approach to implementing a program.

There should be three phases to the introduction of the child care program.

The **initial, start-up phase** will be one of crisis-management and resolution with a focus on ensuring the basics are put in place. This means ensuring that in the first year there is sufficient funding and program support to respond to those communities that have been struggling to

establish or maintain child care programs and to ensure that existing and emerging child care programs meet the government standards for basic health, safety, nutrition, and staffing as mandated in the Child Day Care Standards Regulations.

The first year will require the Government of the Northwest Territories to "go it alone" since it is quite unlikely that a federal cost-sharing agreement will be in place. However, negotiations should be underway with federal officials regarding the upcoming national child care strategy.

The **second phase** would be one of intermediate time-frame objectives and strategies to guide the next two to three years of the child care program. During this phase a cost-sharing agreement should be concluded with the federal government and new cost-shared programs implemented.

In this period the emphasis would be on strengthening the quality of the child care system in the NWT. Strategies would include encouragement and support for caregivers in the "informal" system to meet the standards for licensing as family day homes in order to qualify for grant support and thereby improving the quality of the choices available to parents.

There should also be encouragement and support for commercial child care programs to become non-profit under a parent board or by affiliating with a community organization.

The second phase must also include a systematic community profile and inventory to determine needs and available resources for child care across the Territories.

In the second phase first steps in developing short-term and long-term training programs for child care workers must be taken. Training is the key to improving the quality of child care available to Northern parents.

The **third phase** of implementing a territorial child care program is based on long-term goals and strategies to achieve a high-quality, affordable, accessible and culturally relevant system of child-care options available to Northern parents.

Key elements in the long-term strategy will include the availability of ongoing training, the availability of child care and parenting resources for care-givers and parents, the availability of ongoing support and supervision from government personnel and an ongoing grant program that

includes salary enhancement grants.

4. KEY ELEMENTS OF AN NWT CHILD CARE PROGRAM

4.1 Phase 1 The First Year: The Basics

* Initiate negotiations with federal officials regarding a cost-sharing agreement, inlcuding recognition of the NWT's small revenue base and high cost of living.

* Broaden the basis of assistance to users (parents) by implementing subsidies that are based on income, on a sliding-scale, and not linked to Social Assistance. Subsidy levels must be geared to reflect the high cost of Northern living.

* Continue the system of grants currently available under the "Emergency" funding until all existing child care centres meet the Regulations that came into force on July 1, 1988 and are able to be licensed.

* Implement a system of start-up grants, on a one-time only basis, available to non-profit, community groups to carry out the work needed to establish a child care centre; eg; survey of family needs, locating a facility, upgrading a facility where necessary and acquiring equipment and supplies to open.

* Implement a system of annual grants to offset operating costs of child care centres on a per space basis, available to non-profit child care centres.

* Implement a system of annual grants for new equipment purchase on a per space basis, available to non-profit child care centres.

* Formalize and regularize the system of "charity leases" whereby space in government-owned buildings is made available for child care centres at minimal or no rent and utilities costs are covered by the GNWT.

* Set in place a process whereby space for child care is included in the planning of all new government-funded community capital projects; eg; new schools, recreation centres, hamlet offices or government office buildings.

* Begin to enhance the child care staffing component of the Department of Social Services so that as medium and long-term strategies are

implemented there is adequate government support for a territorial child care system.

4.2 Phase Two The Next Two Years: Upgrading The System

* Conclude cost-sharing agreement with the Government of Canada and implement programs.

* Carry out a child care consultation process utilizing a small (two to three member) panel and seconded staff to generate community profiles and identify child care needs, similar to the Yukon Child Care Consultation Panel 1988.

* Implement a program of Federal/Territorial cost-sharing covering capital construction for child care facilities in communities where no existing space is suitable.

* Implement a program throughout the GNWT to encourage and support "on-site" day care facilities for GNWT employees, run by a parent cooperative or a non-profit group in consultation with the Union of Northern Workers.

* Implement a program of information, support and incentives to care-givers operating in the "informal", unlicensed sector to become licensed as family day homes.

* Implement a program of information, support and incentives to commercial child care services who express interest in moving to a non-profit status.

* Phase in a system of annual salary enhancement grants that are tied to levels of training in staff and are available to non-profit child care centres and family day home operators.

* Initiate an inter-departmental thrust to make available a system of short-term and long-term training and certification in early childhood development in communities across the Territories.

* Support the formation of an NWT child care resource centre, preferably under the auspices of a voluntary sector organization, to serve care-givers in licensed child care services as well as providing support for care-givers in the informal system and for parents.

4.3 Phase Three: Towards a Quality NWT Child Care System

* A continued emphasis on training, resources, support and supervision for all licensed facilities.

* Extend the resources and information on child development to include parents and move towards an integrated program of parenting skill development across the Territories.

* Ensure that any new capital projects, including new buildings and additions to older ones, in which the Government has any influence as an integral part of the planning process assess the child care needs of the community and add space for child care where it is needed.

5. HOW MUCH WOULD A CHILD CARE PROGRAM COST IN THE FIRST YEAR?

The YWCA in Yellowknife has budgeted to keep their user fees the same in 1989-90. However they want to increase the child care staff salaries slightly, add lunches to their program, add some equipment and make some necessary repairs. For their three day care centres totalling 48 spaces they will need a subsidy of $95,000. Their user fees carry 80% of their costs and they need a subsidy of $150 per child per month.

The child care committee in Fort Simpson has budgetted $150,000 to operate their child care centre for the first year. They plan to have 20 children and are assuming that the space they have requested will be rent-free. They know that the fees they plan to charge parents cannot be any higher but will not cover all their costs. Parents fees will generate under $100,000. They are asking for grant support from Government since they feel their is only so much extra fundraising that the parents can do to help the centre.

The women in Fort Rae who want a child care centre know they will have to build a facility because there is no building available in the community. They have put together a budget for the lease on the lot, a building, furniture, food, salaries, benefits and janitorial services. It totals $500,000 for a day care for 30 or more children.

In Pond Inlet the child care workers make $10 per hour but even with the very low wages (compared to other salaries in the community) the fees the parents pay cover only 60% of the costs of operating the child care centre.

How do we extrapolate from these very diverse situations a sense of what kind of support is needed, at a territorial level, to develop and support a decent child care service in the NWT?

The Advisory Council's role is to offer advice and assistance to the Minister and to the Government; not to develop detailed policies and budgets. Nor does the Council have the resources at its disposal that the Government has through its departments and staff. However, the Council can offer some broad guidelines regarding how much money is needed and how it should be allocated.

In recent months the Advisory Council has recommended that the GNWT allocate $5 million in the first year of a territorial child care program (fiscal year 1989-90). We based this amount on a comparison with the Alberta Government's allocation for child care.

Alberta will spend $63 million on its child care program in 1988-89. This represents .6% of the total provincial budget. The funding is given in the form of income-test based subsidies to parents and in operating grants for day care centres. Because Alberta has been funding child care for some time, their funding maintains the system.

In the Northwest Territories we have to build a system over the next ten years or more. Therefore it is realistic to expect that the funding level will have to increase in future years. To provide a starting point, .6% of the GNWT current budget (fiscal year 1988-89) would be $4,748,922 . The territorial budget will likely increase in fiscal year 1989-90 and therefore the Advisory Council has no hesitation in recommending that the GNWT budget an amount of $5 million for the first year of a child care program.

The $5 million fund must be divided between a broader based user subsidization to support parents and grants to support the system of child care services.

User subsidies are by far the more expensive component of the program. Details of a user subsidy program are extremely complicated and beyond the capacity of the Advisory Council to generate.

The Government needs to predict how many parents will qualify for subsidies once it has set income levels and defined the sliding scale of subsidies. For example, how many parents would qualify for a subsidy of their full child care costs according to a set "turning point" monthly net

income level; how many parents will qualify for a partial subsidy of their child care costs whose net income falls between the "turning point" and an established "break-even point", beyond which income level parents are ineligible for a subsidy. Even then it will be quite difficult to predict what the "take-up rate", amongst those who are eligible, will be in the first year. The Government must also determine if the subsidies go directly to parents or to "subsidized spaces" at licensed child care centres and day homes.

For the first year, the Advisory Council recommends that user subsidies form no more than 50% of the proposed $5 million child care fund. It is critical that the Government begin to support and develop the system of child care available with grants to child care facilities.

There are approximately 400 licensed or about to be licensed child care spaces currently available in the NWT. We do not know to what extent these day care centres and family day homes currently meet the standards of the regulations or how much financial assistance is still required for them to meet the regulations.

The Cooke Report recommended that $400 per space for children under the age of six be made available for capital costs for new child care facilities. This figure is now two years old and does not reflect higher Northern costs. The Advisory Council reccomends that a one-time only grant of $600 per space be made to existing child care centres to upgrade their facilities to meet the regulated standards. If all existing centres accessed these funds the cost would total $240,000.

Currently there are eighteen communities, of which we are aware, who want to set up a child care facility. They are in varying stages of development and readiness to proceed. In addition to start-up grants for renovating facilities and acquiring such things as cribs, toys and equipment, the volunteers need support from program staff in organizing for the child care centre. The Advisory Council recommends that one-time only grants of $700 per projected space be made available to meet start-up costs. Calculated at an average of 20 child care spaces in each of the eighteen communities the cost would total $252,000. This does not take into account the possibility that other communities will soon become ready to establish child care centres.

Annual operating grants are the basic underpinning of a child care program that supports the system of care available to parents. In Alberta operating grants range from $257 per month for each infant child care space to $80

per month for spaces for children age 5 and over. Based on data from Southern Canada and adapted to reflect the Northern situation, the Advisory Council would recommend that a grant system be implemented as follows:

* $150 per infant and/or special needs child space per month (the cost of providing care for infants and special needs children is higher primarily because of the higher staff:child ratio)

* $120 per pre-school child space per month

* $80 per after-school child space per month

* $80 per child space per month in licensed family day homes

If the eighteen communities came on stream by April 1, 1989 then the number of child care spaces will have at least doubled. To get some sense of the ballpark figure, 800 child care spaces (using the pre-school child rate) at an annual grant of $1440 per space would total $1, 152,000. Currently there are very few infant care spaces, a handful of licensed family day homes and the biggest demand is for full-time pre-school care. The demand for infant care will likely rise. The operating grants are based on the assumption that the system of charity leases (including utilities costs) will continue and that the two kinds of governmental support will complement each other.

In addition to operating grants, there should be annual grants for equipment and toy replacement available on a per space basis. The Advisory Council recommends grants be made available on a $100 per space basis. If the number of child care spaces does double to 800 then the cost would total $80,000.

Our very rough calculations on the costs of the first year of a child care program would total approximately $4, 250,000 with $2.5 million going to user subsidies and the rest to program support. We have not attempted to identify what the staffing costs to the Department of Social Services would be.

The Advisory Council has derived these figures from available national information and research with a particular emphasis on Alberta. We have attempted to apply Southern data to what we know about the situation in the Territories. The Government should be aware that until the program is implemented it is difficult to predict with accuracy what the demand and

take-up rate will be. As the program is implemented and moves into a maintenance mode accurate estimates of grant and subsidy programs will come more easily.

Prepared by the NWT Advisory Council on the Status of Women.

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